

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS OF NSTAR GAS COMPANY TO THE  
DIVISION OF PIPELINE ENGINEERING AND SAFETY**

D.T.E. 05-36

November 16, 2005

Persons Responsible: Christopher Bourne

Information Request NSTAR 1-39

Please describe in detail the audit process and procedures used by the Division to investigate and review the testing, operation and maintenance of gas pipeline facilities in Massachusetts. With respect to the Division's audit process and procedures, please indicate:

- (a) the frequency with which the audits are conducted;
- (b) what materials are reviewed by the Division in the course of an audit;
- (c) the types of written documentation and reports that are generated by the Division during an audit; and
- (d) the remedial measures that may be required by the Division of gas distribution companies based upon information discovered by an audit.

Please provide a copy of any and all documents in the Division's possession that describe or address the Division's audit process and procedures.

Response

Applicable sections of an operator's O&M are reviewed in conjunction with field inspection(s). For example, a Division inspector would simultaneously review an operator's corrosion control procedures, inspect actual corrosion control work in the field, and inspect corrosion control records at the operator's office.

- (a) Each operator is reviewed for compliance with each applicable section of 49 C.F.R. Part 192 at least once every three years. Please see response to information request NSTAR 1-35 and Exhibit NSTAR 1-27(A). The Pipeline Division Inspection Manual is attached as Exhibit NSTAR 1-39(A).
- (b) During the course of an audit, a Division inspector would review, as appropriate, maps, construction and test records, operating records, maintenance records, as well as operating and maintenance procedures. Other materials would include federal and state codes, and interpretations

and waivers of those codes, industry codes and standards referenced in the federal and state codes, and previous violations, investigations, and audits.

- (c) Division inspectors use the federal checklists as guidelines during their audits, attached as Exhibit NSTAR 1-39(B). These checklists are produced and updated by the Office of Pipeline Safety (“OPS”). In addition to the checklists, Division inspectors would keep notes, when appropriate. They might also write memorandums to the Division Director or other Division inspectors.

A Division inspector who finds a possible violation would send an exit letter to the operator, briefly explaining their findings and stating that the information has been forwarded to the Division Director for possible further action.

The Division Director may send out a Notice of Probable Violation (“NOPV”) to the operator. The NOPV would include a Consent Order and, possibly, a Compliance Agreement. The NOPV describes the circumstances surrounding the probable violation. It also lists the code section(s) the Division Director believes the operator violated. The Compliance Agreement describes the action(s) that the operator must take to settle the case.

- (d) Remedial measures that the Division Director might require an operator to undertake would depend on the nature of the violation. In addition to paying a civil penalty, remedial actions might include revising existing procedures, developing new procedures, repairing or replacing facilities, and evaluating portions or characteristics of certain facilities to determine what corrective action(s) should be taken to prevent a recurrence.